

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	EQUITABLE RESOURCES ENERGY)	DIVISION OF
	COMPANY, a West Virginia)	GAS AND OIL
	Corporation)	
)	
RELIEF SOUGHT:	EXCEPTION TO SPACING)	DOCKET NO.
	REQUIREMENTS SET FORTH)	VGOB 96-0820-0551
	IN ORDER OF THE VIRGINIA)	
	OIL AND GAS CONSERVATION)	
	BOARD DATED MARCH 26,)	
	1989, ESTABLISHING THE)	
	NORA COALBED GAS FIELD)	
)	
LEGAL DESCRIPTION:)	
)	
	WELL NUMBER P-46C)	
	FREDDIE E. MULLINS FEE TRACT,)	
	NORA QUADRANGLE)	
	ERVINTON MAGISTERIAL DISTRICT)	
	DICKENSON COUNTY, VIRGINIA)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This cause initially came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on August 20, 1996, Ratliff Hall, Southwest Virginia Education 4-H Center, Abingdon, Virginia.
2. Appearances: James E. Kaiser of Hunter, Smith & Davis appeared for the Applicant and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.
3. Notice and Jurisdiction: The Board finds that it has jurisdiction over the subject matter. The Board also finds that the applicant has exercised due diligence to locate and provide notice to all persons/companies entitled to notice of this proceeding.
4. Relief Requested: Applicant requests an exception to: (1) the Order of the Virginia Oil and Gas Conservation Board dated March 26, 1989, which established the Nora Coalbed Gas Field (herein "Nora Field Rules") for the development and operation of coalbed methane gas from the Pennsylvanian age coals from the top of the Raven, including all splits to the top of the green and red shales, including the Raven, Jawbone, Upper Horsepen, Middle Horsepen, War Creek, Beckley, Lower Horsepen, Pocahontas No. 8, Pocahontas No. 4, Pocahontas No. 3, and Pocahontas No. 1, and any other unnamed coal seams (herein "Subject Formations"). The Field Rules provide that :(1) "Any well drilled in such 60-acre drilling unit, with a tolerance of fifteen percent (15%), shall not be located at any point within such unit less than 300 feet from the outside boundary of such unit; and (2) "[I]n no event shall any of the wells drilled to

the "Nora Coalbed Gas Field" be located closer than 600 feet to any other well completed or permitted in the same pool." The Applicant requests the Board's consent to convert existing conventional Well Number P-46C to a coalbed methane gas well for the production of coalbed methane gas from Subject Formations. Well P-46C was drilled as a conventional gas well in accordance with the requirements of Va. Code § 45.1-361.17 and is located as depicted on Exhibit A hereto, at a point which is less than 300 feet from the exterior boundary of the Nora Coalbed Gas Field drilling unit depicted on Exhibit A hereto ("Subject Drilling Unit").

5. Amendment: None.


6. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds, that the location of Well P-46C: (1) is outside the interior drilling window of the Subject Drilling Unit, i.e., is at a point which is less than 300 feet from the outside boundary of said unit as established by the Nora Field Rules; (2) the applicant proposes to convert Well P-46C from a conventional gas well to a coalbed methane gas well for the production of coalbed methane gas from Subject Formations; (3) while the location of Well P-46C meets the requirements of Va. Code § 45.1-361.17 for the production of conventional natural gas, said well does not meet the requirements of the Nora Field Rules for the production of coalbed methane gas from Subject Formations; and (4) the granting of the location exception requested by Applicant is in the best interest of preventing waste and avoiding the drilling of an unnecessary well.

7. Relief Granted: The requested relief in this cause be and hereby is granted and Applicant is allowed to convert and permit Well Number P-46C as a coalbed methane gas well for the production of coalbed methane gas from Subject Formation notwithstanding the fact that said well is located within 300 feet of the exterior boundary of Subject Drilling Unit as depicted on Exhibit A hereto.

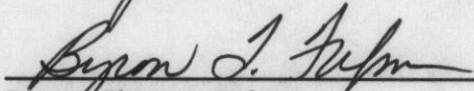
8. Findings: That the well location exception, in accordance with the foregoing, is necessary to prevent waste, avoid the drilling of an unnecessary well, and to generally effect the purposes of the Virginia Gas and Oil Act.

9. Effective Date: This Order shall be effective on August 20, 1996.

DONE AND EXECUTED this 22nd 13th R.A. day of September, 1996, by a majority of the Virginia Gas and Oil Board.

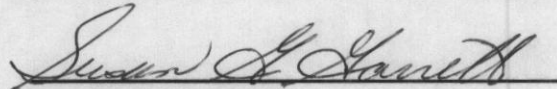

Chairman, Benny R. Wampler

DONE AND PERFORMED this 3th day of September, 1996, by Order of this Board.


Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

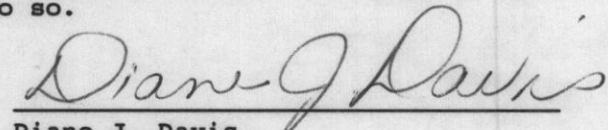
Acknowledged on this 13th day of September, 1996,
personally before me a notary public in and for the Commonwealth of Virginia,
appeared Benny Wampler, being duly sworn did depose and say that he is Chairman
of the Virginia Gas and Oil Board, that he executed the same and was authorized
to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/98

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 13th day of September, 1996,
personally before me a notary public in and for the Commonwealth of Virginia,
appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is
Principal Executive to the Staff of the Virginia Gas and Oil Board, that he
executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires 9/30/97

TOTAL UNIT AREA
= 58.77 ACRES

WELL COORDINATES ARE BASED ON CLINCHFIELD
COAL COMPANY'S MINE COORDINATE SYSTEM.

STATE PLANE WELL COORDINATES ARE CALCULATED FROM CLINCHFIELD COAL COMPANY COORDINATES.

ELEVATION BASED ON TRI. STATION HATCHET

PROPERTY INFORMATION PROVIDED BY EQUITABLE
RESOURCES ENERGY COMPANY

LS No. T-156/241490L
J. SILCOX
218 AC.
CLINCHFIELD COAL Co./
PYXIS RESOURCES Co. - coal
PINE MOUNTAIN OIL & GAS, INC. - oil & gas
9.95 AC - 16.93% GAS

UNIT BOUNDARY

COORDINATES OF WELL
S 8105.76
E 28166.18

FREDDIE E. MULLINS
- surface

LS No. PO-166 / 241501L
FREDDIE E. MULLINS - coal, oil & gas
1423 ACRES
42.06 AC - 71.57% GAS

S88°11'25"W
289.33' !

N75°59'20"E
107.39'

GEORGE C. SUTHERLAND
HEIRS - surface

STATE PLANE COORDINATES
OF WELL P-46C
N 293157.30
E 895554.81

LS No. T-450/241490L
J. J. WAMPLER
320.9 AC.
CLINCHFIELD COAL Co./
PYXIS RESOURCES Co. -
PINE MOUNTAIN OIL & GAS
6.76 AC - 11.50% GAS

BOUNDARY

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LOC

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OR

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LONGITUDE 82° 15' 00"

TRUE

The seal is circular with a decorative, serrated border. The text "COMMONWEALTH OF VIRGINIA" is arched across the top. In the center, the name "B. LEMAN KENDRICK" is printed in a bold, sans-serif font. Below the name, the number "No. 1340" is printed. The text "LAND SURVEYOR" is arched across the bottom. A thin line with a small circle at its end extends from the center towards the top-left, resembling a clock hand.

WELL LOCATION PLAT

COMPANY, Equitable Resources Energy Co. WELL NAME AND NUMBER P-46C

TRACT No.	PO-166 / 241501L	ELEVATION	2113.53	QUADRANGLE	NORA
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COUNTY DICKENSON DISTRICT ERVINTON SCALE: 1" = 400' DATE JULY 15, 1996

IS PLAT IS A NEW PLAT x ; AN UPDATED PLAT ; OR A FINAL LOCATION PLAT

PROPOSED TOTAL DEPTH OF WELL = _____

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO 24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

B. Jura Undol 2/15/56

(AFFIX SEAL)

LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR